



DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

*Sean Parnell, Governor*  
*Emil Notti, Commissioner*  
*Robert M. Pickett, Chairman*

January 8, 2010

In reply refer to: Finance Section

File: PC77-1103V

LO#: L0900637

Carl Itumulria  
Manokotak Power Company  
P.O. Box 149  
Manokotak, AK 99628

Dear Mr. Itumulria:

On January 7, 2010, the Commission approved updated **Permanent** PCE levels in cents per kilowatt-hour (¢/kWh) for Manokotak Power Company (MPC), for the listed classes of customers as follows:

All

22.94

The revised PCE levels are due to Commission approval of MPC's Fuel Cost Update submitted on December 17, 2009. The new PCE levels are effective for billings rendered after January 7, 2010. For your reference, copies of the Commission Staff's recommendations and schedules are attached as an Appendix.

The Commission reminds MPC of its continued obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

The Commission also reminds MPC of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, and/or efficiency of operation and advises MPC that failure to comply with those requirements could jeopardize its continued participation in the program.

If MPC believes that the calculation used to establish the PCE level in this Letter Order is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

Letter Order-MPC  
Page 2 of 2  
January 8, 2010

If you have any questions regarding the calculation of PCE levels, please contact Utility Financial Analyst John White at (907) 276-6222.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

  
for Robert M. Pickett  
Chairman

cc: Jeffery Williams, Alaska Energy Authority

# STATE OF ALASKA

**DEPARTMENT OF COMMERCE,  
COMMUNITY & ECONOMIC DEVELOPMENT  
REGULATORY COMMISSION OF ALASKA**

**SEAN PARNELL, GOVERNOR**

701 WEST EIGHT AVENUE, SUITE 300  
ANCHORAGE, ALASKA 99501-3469  
PHONE: (907) 276-6222  
FAX: (907) 276-0160  
TTY: (907) 276-4533  
WEBSITE: <http://rca.alaska.gov>

DATE: January 8, 2010

INVOICE#: 77-1103V

DATE DUE: February 7, 2010

Carl Itumulria  
Manokotak Power Company  
P.O. Box 149  
Manokotak, AK 99628

Fee for Commission Staff analysis and recommendations Re:

**FILE #: PC77-1103V**

**LO #: L0900637**

**Fuel Cost Update** under the Power Cost Equalization Program

Amount Due :	<u>\$ 39</u>
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TOTAL AMOUNT DUE:	<u>\$ 39</u>
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MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

**REGULATORY COMMISSION OF ALASKA  
701 W. 8<sup>TH</sup> AVE., SUITE 300  
ANCHORAGE, AK 99501-3469**

If you have any questions, please contact Joyce McGowan at (907) 263-2132 or [joyce.mcgowan@alaska.gov](mailto:joyce.mcgowan@alaska.gov).

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**Manokotak Power Company**

**FILE #: PC77-1103V**

**Amount Due: \$ 39**

**LO #: L0900637**

**Check Number** \_\_\_\_\_

Please tear along dotted line and submit payment with bottom portion. Thank you.

# Power Cost Memorandum Fuel Cost Update and Rate Change

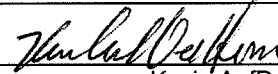
Date: January 7, 2010

Utility Name (Cert. No.) <b>MANOKOTAK POWER COMPANY</b>	Utility File No. <b>PC77-1103V</b>	Date Filed: <b>December 17, 2009</b>
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



PCE LEVEL SUMMARY	Previously Approved PC77-1103U	Staff Recommended Level(s) and Effective Date PC77-1103V
Class Rate	<u>Date Approved:</u> July 1, 2009	January 8, 2010
All	\$0.3088	\$0.2294
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <span style="margin-left: 200px;"><input type="checkbox"/> Interim    <input checked="" type="checkbox"/> Permanent</span>		

Prior Fuel Purchase Price: \$ <u>4.9767</u>	New Fuel Purchase Price: \$ <b>2.8116</b>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

Weighted Average Fuel Price/Gal. Calculation					
	Gallons		Price		
On-hand before deliv.	50	X	4.9767	=	248.84
Delivered	149,962	X	2.8109	=	421,528.19
	<u>150,012</u>				<u>\$ 421,777.02</u>
					Weighted Average
					<u>\$ 2.8116</u>

Signed:       Utility Financial Analyst  
Kevin AufDerHeide

**Commission decision re. this recommendation :**

	Date (if different from 01/7/10)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett				
Giard				
Lisankie				
Price				
Wilson				

*Special Instructions to Staff:*

\* If this column initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

# MANOKOTAK POWER COMPANY

APPENDIX 1

## POWER COST EQUALIZATION CALCULATION FOR TEST PERIOD ENDING JUNE 30, 2003 Fuel Cost Update and Rate Change

	PC77-1103U		PC77-1103V
	Prior Staff Calculated	Utility Request	Staff Recommended
A. Total kWh Generated	1,133,440	1,133,440	1,133,440
B. Total kWh Sold (Appendix 2)	1,128,900	1,128,900	1,128,900
C. Total Non-Fuel Costs (Appendix 2)	143,446	143,446	143,446
D. Non-Fuel Cost/kWh (C / B)	<b>\$0.1271</b>	<b>\$0.1271</b>	<b>\$0.1271</b>
E. Total Fuel Costs (Appendix 2)	510,747	288,549	288,549
F. Fuel Costs/kWh (E / B)	<b>\$0.4524</b>	<b>\$0.2556</b>	<b>\$0.2556</b>
G. Eligible Costs/kWh (D + F)	\$0.5795	\$0.3827	\$0.3827
H. Eligible Cost/kWh (G) less base rate in effect (14.12 cents)	\$0.4383	\$0.2415	\$0.2415
I. Lesser of (H) or 85.88 cents/kWh	\$0.4383	\$0.2415	\$0.2415
J. Average Class Rates (Appendix 3)  ALL	\$0.3088	\$0.4088	\$0.4088
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95% or (J) ALL	\$0.3088	\$0.2294	\$0.2294
L. Funding Level in Effect  ALL	100%	100%	100%
	\$0.3088	\$0.2294	\$0.2294

PC77-1103V  
Appendix 1

# MANOKOTAK POWER COMPANY

APPENDIX 2

## SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY FOR TEST PERIOD ENDING JUNE 30, 2003 Fuel Cost Update and Rate Change

	PC77-1103U	PC77-1103V
	Prior Staff Calculated	Utility Request Staff Recommended
<b>Non-Fuel Costs:</b>		
A. Personnel Costs	62,811	62,811
B. Power Plant Parts & Supplies	7,594	7,594
C. Repairs & Maintenance	2,662	2,662
D. General & Administrative	15,416	15,416
E. Depreciation	54,963	54,963
F. Interest Expense	0	0
G. Other (Describe)	(0)	(0)
<b>H. Total Non-Fuel Costs</b>	<b>\$143,446</b>	<b>\$143,446</b>
<b>Fuel Costs:</b>		
I. Gallons Consumed for Electric Generation	102,627	102,627
J. Price of Fuel:(cts. per gal) Weighted Average	4.9767	2.8116
<b>K. Total Cost of Fuel</b> (I x J or K)	<b>\$510,747</b>	<b>\$288,549</b>
<b>L. kWh Sales</b>	1,128,900	1,128,900
M. Efficiency (L / I) <span style="float:right">Standard</span>	11.00	11.00
N. Line Loss & Station Use <span style="float:right">≤ 12%</span> (kWh Generated - kWh Sold)/kWh Generated	0.40%	0.40%

Calculation of weighted average fuel cost per gallon: \*\*

On Hand	50	x	4.9767	=	249	
Delivery	149,962	x	2.8109		421,528	Weighted
	150,012				421,777	Average
						\$2.8116

\*\* See KSA-1

PC77-1103V  
Appendix 2

**CALCULATION OF AVERAGE CLASS RATE PER kWh**

Rate Schedule: **All**

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to	0.5500		0.5500	275.0000		
to						
to						
to						
<b>Max</b> 500			<b>Total</b>	<b>275.0000</b>	<b>0.5500</b>	<b>0.4088</b>

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to						
to						
to						
to						
<b>Max</b> 500			<b>Total</b>			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to						
to						
to						
to						
<b>Max</b> 500			<b>Total</b>			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1412
0 to						
to						
to						
to						
<b>Max</b> 500			<b>Total</b>			

**MANOKOTAK POWER COMPANY**  
**Fuel Purchases**

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory		50			
Last Approved Fuel Cost/Gal.			\$ 4.9767		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost -->					\$ 249
Reporting Period Purchases	06/10/09	68,482	2.8109		192,496
	06/16/09	81,480	2.8109		229,032
		-	-		-
		-	-		-
		-	-		-
		-	-		-
					-
					-
					-
					-
					-
					-
Totals for Reporting Period Purchases on this sheet:		149,962			421,528
Grand Totals (beginning inventory plus purchases)		<u>150,012</u>		B \$	<u>421,777</u>

Grand Total Cost divided by Grand Total Gallons = 2.8116 Weighted Avg. Cost per gallon  
Purchase Total Cost divided by Purchase Total Gallons = 2.8109 Cost Per Gallon